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LEGISLATIVE ACTION

Senate

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House

Senator Bradley moved the following:

Senate Amendment (with title amendment)

Delete lines 1197 - 1313
and insert:
determine, by a majority vote of the total voting interests of
the association ~~at a duly called meeting of the association~~, for
a fiscal year to provide no reserves or reserves less adequate
than required by this subsection. Before turnover of control of
an association by a developer to unit owners other than a
developer under s. 719.301, the developer-controlled association
may not vote to waive the reserves or reduce funding of the



633626

reserves. For a budget adopted on or after ~~Effective~~ December 31, 2024, a unit-owner-controlled association that must obtain a structural integrity reserve study may not determine to provide no reserves or reserves less adequate than required by this paragraph for items listed in paragraph (k). If a meeting of the unit owners has been called to determine to provide no reserves, or reserves less adequate than required, and such result is not attained or a quorum is not attained, the reserves as included in the budget shall go into effect.

3. Reserve funds and any interest accruing thereon shall remain in the reserve account or accounts, and shall be used only for authorized reserve expenditures unless their use for other purposes is approved in advance by a vote of the majority of the total voting interests, ~~voting in person or by limited proxy at a duly called meeting~~ of the association. Before turnover of control of an association by a developer to unit owners other than the developer under s. 719.301, the developer may not vote to use reserves for purposes other than that for which they were intended. For a budget adopted on or after ~~Effective~~ December 31, 2024, members of a unit-owner-controlled association that must obtain a structural integrity reserve study may not vote to use reserve funds, or any interest accruing thereon, ~~that are reserved for items listed in paragraph (k)~~ for purposes other than the replacement or deferred maintenance costs of the components listed in paragraph (k) their intended purpose.

(k) *Structural integrity reserve study.*—

1. A residential cooperative ~~An~~ association must have a structural integrity reserve study completed at least every 10



633626

years for each building on the cooperative property that is three stories or higher in height as determined by the Florida Building Code that includes, at a minimum, a study of the following items as related to the structural integrity and safety of the building:

- a. Roof.
- b. Load-bearing walls or other primary structural members.
- c. ~~Floor.~~
- d. Foundation.
- ~~d.e.~~ Fireproofing and fire protection systems.
- ~~e.f.~~ Plumbing.
- ~~f.g.~~ Electrical systems.
- ~~g.h.~~ Waterproofing and exterior painting.
- ~~h.i.~~ Windows and exterior doors.
- ~~i.j.~~ Any other item that has a deferred maintenance expense or replacement cost that exceeds \$10,000 and the failure to replace or maintain such item negatively affects the items listed in sub-subparagraphs a.-h. ~~sub-subparagraphs a.-i.~~, as determined by the ~~licensed engineer or architect performing the~~ visual inspection portion of the structural integrity reserve study.

2. A structural integrity reserve study is based on a visual inspection of the cooperative property. A structural integrity reserve study may be performed by any person qualified to perform such study. However, the visual inspection portion of the structural integrity reserve study must be performed or verified by an engineer licensed under chapter 471, an architect licensed under chapter 481, or a person who is certified as a reserve specialist or professional reserve analyst by the



633626

Community Associations Institute or the Association of
Professional Reserve Analysts.

3. At a minimum, a structural integrity reserve study must identify each item of the cooperative property being visually inspected, state the estimated remaining useful life and the estimated replacement cost or deferred maintenance expense of each item of the cooperative property being visually inspected, and provide a reserve funding schedule with a recommended annual reserve amount that achieves the estimated replacement cost or deferred maintenance expense of each item of cooperative property being visually inspected by the end of the estimated remaining useful life of the item. The structural integrity reserve study may recommend that reserves do not need to be maintained for any item for which an estimate of useful life and an estimate of replacement cost or deferred maintenance expense cannot be determined, or the study may recommend a deferred maintenance expense amount for such item.

4. This paragraph does not apply to buildings less than three stories in height; single-family, two-family, or three-family dwellings with three or fewer habitable stories above ground; any portion or component of a building that has not been submitted to the cooperative form of ownership; or any portion or component of a building that is maintained by a party other than the association.

5. Before a developer turns over control of an association to unit owners other than the developer, the developer must have a structural integrity reserve study completed for each building on the cooperative property that is three stories or higher in height.



633626

99 ~~6.3.~~ Associations existing on or before July 1, 2022, which
100 are controlled by unit owners other than the developer, must
101 have a structural integrity reserve study completed by December
102 31, 2024, for each building on the cooperative property that is
103 three stories or higher in height. An association that is
104 required to complete a milestone inspection on or before
105 December 31, 2026, in accordance with s. 553.899 may complete
106 the structural integrity reserve study simultaneously with the
107 milestone inspection. In no event may the structural integrity
108 reserve study be completed after December 31, 2026.

109 7. If the milestone inspection required by s. 553.899, or
110 an inspection completed for a similar local requirement, was
111 performed within the past 5 years and meets the requirements of
112 this paragraph, such inspection may be used in place of the
113 visual inspection portion of the structural integrity reserve
114 study.

115 ~~8.4.~~ If an association fails to complete a structural
116 integrity reserve study pursuant to this paragraph, such failure
117 is a breach of an officer's and director's fiduciary
118 relationship to the unit owners under s. 719.104(9) ~~s.~~
119 ~~719.104(8).~~

120 (1) *Mandatory milestone inspections.*—If an association is
121 required to have a milestone inspection performed pursuant to s.
122 553.899, the association must arrange for the milestone
123 inspection to be performed and is responsible for ensuring
124 compliance with the requirements of s. 553.899. The association
125 is responsible for all costs associated with the milestone
126 inspection attributable to the portions of the building which
127 the association is responsible for maintaining under the



633626

governing documents of the association. If the officers or directors of an association willfully and knowingly fail to have a milestone inspection performed pursuant to s. 553.899, such failure is a breach of the officers' and directors' fiduciary relationship to the unit owners under s. 719.104(9)(a) ~~s. 719.104(8)(a)~~. Within 14 days after receipt of a written notice from the local enforcement agency that a milestone inspection is required, the association must notify the unit owners of the required milestone inspection and provide the date by which the milestone inspection must be completed. Such notice may be given by electronic submission to unit owners who consent to receive notice by electronic submission or by posting on the association's website. Within 45 days after receiving ~~Upon completion of~~ a phase one or phase

===== T I T L E A M E N D M E N T =====

And the title is amended as follows:

Delete line 77

and insert:

structural integrity reserve studies and mandatory
milestone inspections; providing